February 07, 1981

SITUATION REPORTS

POLAND

Government concessions in reaching a settlement of the strike in Bielsko-Biala will provide more ammunition for hardliners' criticism of party leader Kania's moderate policies at the party Central Committee session on Monday.

The regime reversed itself and yielded to demands by the strikers for the dismissal of the provincial governor and several of his deputies. It also agreed to pay wages for the strike period, despite the recently announced regulations limiting such payments. The strikers agreed to begin making up lost production by working today—a work—free Saturday for most Poles.

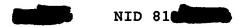
Arguments by hardliners for a tougher posture will carry greater weight if yesterday's settlement leads to other strikes, particularly ones in which Solidarity presses for personnel changes. The Solidarity chapter in Jelenia Gora, for instance, had already scheduled a strike for Monday to protest the stringent strike pay regulations and could renew its earlier demand for the immediate dismissal of a government minister. Union leader Walesa has gone to Jelenia Gora to join the negotiations.

The unprecedented direct public involvement of the Catholic Church in negotiating the strike settlement apparently reflects a decision by ... Church leadership to become more involved in helping restore domestic calm. Church officials also are trying to end a hunger strike by farmers demanding registration of their union.

Although Walesa apparently sought Church involvement, mcderates within the party may have been eager for the Church to make a public commitment to domestic tranquility. Party hardliners, however, will be annoyed by the public display of Church power—and regime weakness—especially since the settlement favored Solidarity.

Approved for Release

156 FFI



February 07, 1981

Moscow's Reaction

The Soviets showed their disapproval of the Bielsko-Biala settlement in a TASS dispatch from Warsaw yesterday. Not only did the dispatch omit mention of the settlement, it also referred to the dispute as if it were still unresolved. The dispatch, which claimed that "counterrevolutionary forces" are beginning a "frontal attack on the party," represents the most scathing Soviet attack on Solidarity to date. It presented a list of "provocations" allegedly being conducted by the union in cities throughout the country and accused the dissident organization KOR and the "rightwing" faction of Solidarity's leader-ship of instigating these actions.

This is the second time in a week that Moscow has responded to a compromise between the regime and Solidarity by stepping up its rhetoric. The party's capitulation to the demands of the Bielsko-Biala strikers will only serve to increase pressure from the Soviets to draw the line on Solidarity's increasing demands.

Contact With European Communists

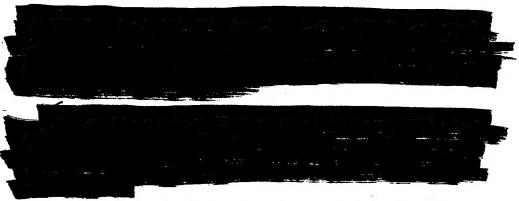
Moscow is apparently conferring with European Communist parties on the situation in Poland and has reportedly sounded out at least one party concerning its reaction to a Soviet invasion.



--continued

NID 81

February 07, 1981



The fact that the Soviets are sounding out some Communist parties on their reactions to a possible invasion, while not evidence that they are on the verge of making a decision, indicates that the possibility is again being considered seriously in Moscow.

Military Activity

Soviet forces in and around Poland continue to conduct exercises and other training that could place them in a better position to intervene.

Training has continued in East Germany, Czechoslovakia, and the western USSR for the past two weeks.

